

AMENDED IN SENATE MARCH 26, 2012

SENATE BILL

No. 1196

Introduced by Senator Hernandez

February 22, 2012

~~An act to amend Section 1381 of the Health and Safety Code, relating to health care coverage. An act to add Section 1367.50 to the Health and Safety Code, and to add Section 10117.52 to the Insurance Code, relating to health care coverage.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1196, as amended, Hernandez. ~~Health care service plans: inspection of records. Claims data disclosure.~~

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensing and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Insurance Commissioner. Except as specified, existing law prohibits a provider of health care, a health care service plan, or contractor from disclosing medical information regarding a patient of the provider of health care or an enrollee or subscriber of a health care service plan without first obtaining an authorization.

Existing law, the federal Patient Protection and Affordable Care Act (PPACA), requires the Secretary of Health and Human Services to make available to qualified entities, as defined, specified claims data relating to Medicare in order to evaluate the performance of providers and suppliers.

This bill would provide that no contract or health insurance policy issued, amended, or renewed on or after January 1, 2013, between a health care service plan and a provider, as specified, shall prohibit,

condition, or in any way restrict the disclosure of claims data related to health care services or coverage provided to specified individuals to a qualified entity, as defined.

Because a willful violation of the act by a health care service plan would constitute a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensing and regulation of health care service plans by the Department of Managed Health Care. Under existing law, the records, books, and papers of a health care service plan, and of any provider or subcontractor providing health care services, must be open for inspection, as specified, by the Director of the Department of Managed Health Care.~~

~~This bill would make technical, nonsubstantive changes to these provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 *SECTION 1. Section 1367.50 is added to the Health and Safety*
- 2 *Code, to read:*
- 3 *1367.50. Notwithstanding Section 56.10 of the Civil Code, no*
- 4 *contract issued, amended, or renewed on or after January 1, 2013,*
- 5 *between a health care service plan and a provider, including a*
- 6 *provider of supplies, shall prohibit, condition, or in any way*
- 7 *restrict the disclosure of claims data related to health care services*
- 8 *provided to an enrollee or subscriber of the health care service*
- 9 *plan or beneficiaries of any self-funded health coverage*
- 10 *arrangement administered by the health care service plan to a*
- 11 *qualified entity, as defined in Section 1395kk of Title 42 of the*
- 12 *United States Code.*
- 13 *SEC. 2. Section 10117.52 is added to the Insurance Code, to*
- 14 *read:*

1 10117.52. Notwithstanding any other provision of law, no
2 health insurance policy issued, amended, or renewed on or after
3 January 1, 2013, between a health insurer and a provider,
4 including a provider of supplies, shall prohibit, condition, or in
5 any way restrict the disclosure of claims data related to coverage
6 provided to insureds or beneficiaries of any self-insured health
7 coverage arrangement administered by a carrier to a qualified
8 entity, as defined in Section 1395kk of Title 42 of the United States
9 Code.

10 SEC. 3. No reimbursement is required by this act pursuant to
11 Section 6 of Article XIII B of the California Constitution because
12 the only costs that may be incurred by a local agency or school
13 district will be incurred because this act creates a new crime or
14 infraction, eliminates a crime or infraction, or changes the penalty
15 for a crime or infraction, within the meaning of Section 17556 of
16 the Government Code, or changes the definition of a crime within
17 the meaning of Section 6 of Article XIII B of the California
18 Constitution.

19 ~~SECTION 1. Section 1381 of the Health and Safety Code is~~
20 ~~amended to read:~~

21 ~~1381. (a) All records, books, and papers of a health care service~~
22 ~~plan, management company, solicitor, solicitor firm, and any~~
23 ~~provider or subcontractor providing health care or other services~~
24 ~~to a health care service plan, management company, solicitor, or~~
25 ~~solicitor firm shall be open to inspection during normal business~~
26 ~~hours by the director.~~

27 ~~(b) To the extent feasible, all records, books, and papers~~
28 ~~described in subdivision (a) shall be located in this state. In~~
29 ~~examining records outside this state, the director shall consider~~
30 ~~the cost to the health care service plan, consistent with the~~
31 ~~effectiveness of the director's examination, and may upon~~
32 ~~reasonable notice require that the records, books and papers, or a~~
33 ~~specified portion thereof, be made available for examination in~~
34 ~~this state, or that a true and accurate copy of the records, books~~
35 ~~and papers, or a specified portion thereof, be furnished to the~~
36 ~~director.~~